

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-163-E - ORDER NO. 2004-391
OCTOBER 11, 2004

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| IN RE: Application of Progress Energy Carolinas, Inc. for Approval of Revisions to Street Lighting Service Regulations. |) ORDER APPROVING) REVISIONS TO STREET) LIGHTING SERVICE) REGULATIONS |
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I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Progress Energy Carolinas, Inc. (Progress Energy or the Company) for approval of a revision to the Company's Street Lighting Service Regulations (SLSR). Specifically, Progress Energy states that, under its proposal, customers may change the style or color of Progress Energy's street lighting facilities while maintaining the same or a lower overall lumen range. Presently such a change is not contemplated or addressed in the Company's tariffs. Progress Energy also requests that it be allowed two business days to repair a broken fixture before the customer can seek a bill adjustment. In addition, the Company is proposing several clarifications of existing policies regarding right-of-way clearing responsibilities, the customer's responsibility to protect Company's lighting facilities, and termination of lighting service.

II. DESCRIPTION OF PROPOSAL

Currently, the ability of street lighting customers to replace an existing fixture with a different type fixture with an equivalent or lower lumen range is not addressed in

the Company's tariffs. The proposed changes to Paragraph 4 of the SLSR will afford customers the option of making replacements in order to obtain a different lighting color or fixture style. The paragraph defines the four lumen ranges in which Progress Energy offers lighting products. Consistent with the current approach for increasing a lamp size, if a customer desires to replace a fixture with one at a higher lumen range, there will be no charge provided the remaining portion or an extension of the term of the Service Agreement is sufficient to justify the additional investment. If a customer desires to replace a fixture or lamp with one within the same or a lesser lumen range category, the customer shall pay the Company the cost incurred in replacing its facilities. This charge shall include the removal cost of the existing facilities plus the installation cost of the new facilities minus the salvage value of the removed equipment. The charge shall be reduced by two times the annual increased change in revenue and shall be increased for any applicable taxes. This calculation is similar to the charge for converting overhead facilities to underground in Progress Energy's Line Extension Plan, which is a comparable situation where existing facilities are functionally adequate, but are not desirable by the customer.

A new sentence is included in Paragraph 6, Rights-Of-Way, to clarify that it is the customer's responsibility to trim trees and other vegetation that obstruct the light output from the fixture or prevent access to the facilities for maintenance. Progress Energy retains its full responsibility to trim vegetation for the safe and reliable operation of fixtures and overhead lines.

Paragraph 8 addresses burned out or broken lamps. This paragraph is being revised to allow Progress Energy two business days to repair a broken light. Presently the Company is allowed until dusk of the following day to repair a light; otherwise the customer may request a bill adjustment. According to the Company, meeting this schedule does not always allow the lamp to be repaired during the normal course of work and often requires a special trip. Customers often identify multiple fixtures to be out of service in a single correspondence thereby making it difficult to repair all lights within as little as 24 hours. Permitting the repair to be completed by dusk within two business days allows the work to be completed during the normal course of work activities.

Additionally, a new paragraph is being added to clarify that the customer is responsible for protecting the Company's lighting facilities. In the event Progress Energy's facilities are damaged due to carelessness, neglect, misuse by the customer or by vandalism, the cost of repairing the facilities shall be paid by the customer.

The final change is a revision to the renumbered Paragraph 13 that is titled "Termination of a Service Agreement" to clarify that street lighting service may only be terminated when the customer no longer has need for street lighting at a particular location. The revision makes the street lighting termination provision consistent with the termination of standard electric service as set forth in Progress Energy's Service Regulations.

III. FINDINGS OF FACT

1. Progress Energy Carolinas, Inc. is proposing several changes to its Street Lighting Service Regulations.

2. The proposed changes include allowing customers the ability to change the style or color of street lighting facilities while maintaining the same or a lower overall lumen range, an increase in the time for the Company to repair a broken fixture before a customer can receive a bill adjustment, clarifications of existing policies regarding right-of-way clearing responsibilities, the customer's responsibility to protect the Company's lighting facilities, and termination of lighting service, all of which are described in detail in the Description of Proposal section, *supra*.

IV. CONCLUSIONS OF LAW

1. S. C. Code Ann. Section 58-27-870(F)(Supp. 2003) states in part that the Commission may allow rates or tariffs to be put into effect without notice and hearing upon order of the Commission when such rates or tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the electrical utility.

2. We hold that the present filing by Progress Energy does not require a determination of the entire rate structure and overall rate of return, nor would adoption of the proposal result in any rate increase to the electrical utility. Accordingly, we also hold that Progress Energy's request may be adopted by this Commission without notice or hearing.

3. The request for approval of the revisions to the Company's Street Lighting Service Regulations is granted, with the exception of the proposal to have the customer pay for damage to facilities due to vandalism. It appears to us that the changes requested are in the public interest, except for the vandalism provision. The ability to change the

style or color of the street lighting facilities while maintaining the same or a lower overall lumen range by a customer is reasonable and desirable, as is the two day period to repair a broken light fixture. Further, clarification of existing policies regarding right-of-way clearing responsibilities is helpful to the Company and the customer, as is a further description of the customer's responsibility to protect the Company's lighting facilities, and a clarification of policy with regard to the termination of lighting service. We disagree with the proposal of having the customer pay for damages to lighting facilities due to vandalism, as the customer has no control over vandalism by third parties. We therefore deny this portion of the request related to the customer being responsible for costs associated with damages from vandalism.

4. The Company should file 10 copies of the revised Street Lighting Service Regulations reflecting the Commission's holding with the Commission within 10 days of receipt of this Order.

V. ORDER

1. The request for approval of the revisions to Progress Energy's Street Lighting Service Regulation is granted, with the exception of the provision that would require the customer to pay for damage to facilities due to vandalism. The portion of the request requiring the customer to pay for damages to facilities due to vandalism is denied.

2. The Company shall file 10 copies of the approved revisions with the Commission within 10 days of receipt of this Order.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice Chairman

(SEAL)